



LEARNING FROM PRACTICE

Beyond the Age of Dilbert:

Accelerating Corporate Transformations by Rapidly Engaging All Employees

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As we cross the threshold of a new millennium, a fundamental shift is taking place in the relationship between the organization and the employee in all business sectors. The shift is so huge and the consequences so profound that it is almost as though we are witnessing a time-accelerated shift in two tectonic plates.

The plate that is sliding under the new one is submerging an era in which management was the predominant focus in business enterprise. This Era of Management deified a long line of corporate visionaries, including Lee Iacocca of Chrysler Corp., Jack Welch of General Electric Co., Sam Walton of Wal-Mart Stores, and Andy Grove of Intel Corp., to name only a few of the era's highest priests.

To their credit, these true captains of American enterprise radically transformed the nature of the modern, complex corporation. They reigned in the unbridled diversity in their business portfolios, refocusing their enterprises on core competencies. In the pro-

cess, they simplified the organizational complexity inherited from their predecessors; collapsing management layers and streamlining planning and decision processes. They cut out waste and enhanced productivity by embracing new technologies and reinventing timeworn business processes.

This competency-based streamlining of organizations across a variety of sectors is a revolution that continues into the early days of the new millennium. It has left executive leaders with an ability to focus resources on fewer, more critical businesses and functions. But more importantly for our current purpose, such a shift has also led to the retention of a better defined set of employees, who as a whole have the potential for adding substantially more value to the enterprise. Whether the latter is actually realized, however, critically depends on management's ability to *engage* such employees, many of whom have become turned off and skeptical during an era preoccupied with management.



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Age of Dilbert

The Management Era achieved a lot for which we all may be thankful. But in its wake, this shifting tectonic plate also proliferated a series of highly touted management programs, many of which were not well grounded, lacked staying power, fell miserably short on follow through to execution, and alienated employees at all levels.

This long parade during the last two decades has become so much of a cliché that it would irritate readers to list here even a sampling of such ill-conceived and ill-fated management programs. Indeed, from another perspective, that of the employee, the submerging era may be viewed more as the Age of Dilbert—a period in American business history forever made immortal by cartoonist Scott Adams. Adams spared no opportunity to depict the life of employees as one constantly bombarded by a long series of highly touted, short-lived management programs, many with dubious underlying intentions.

The Age of the Employee

But we are now entering a new age. The tectonic plate that is sweeping over the old one is ushering in the Age of the Employee. To get with the new era, management must learn how to simply focus the organization in such a way that employees can quickly align. Management must find new ways to engage employees so that they can lead the organization in new directions at all levels. Moreover, the increasing speed of change and the rapidly shrinking population of employees with the right capabilities are forcing the need to engage and align all employees rapidly.

Such trends have caused me to bolt an employee supercharger on to the traditionally management-focused process for leading a corporate transformation. The new supercharger is the *rapid, high-engagement, all-employee cascade*, an employee-focused process that needs to be introduced right after the corporate transformation planning effort is completed.

The Transformation Engine

Before introducing the employee supercharger, let's first briefly review what management has to do to build the corporate transformation engine. The up-front role of management in launching a corporate transformation involves confronting reality, developing a new strategic vision and business success model, and translating that model into a limited set of balanced transformation initiatives that are targeted for quantum improvement in one or two years.

The trick is to narrow the focus of transformation down to a few organization-wide initiatives, no more than four or five, that are targeted for quantum—not incremental—change in a short period of time. Such initiatives usually are made up of a mixture of business goals (performance outcomes) and cultural elements (organizational and people enablers). For example, after succeeding Lee Iacocca as chairman and chief executive officer (CEO) of Chrysler, Bob Eaton targeted the following five transformation initiatives for quantum change: customer focus, inspired people, continuous improvement, financial success, and company reputation. Similarly, IBM Global Services embarked on a transformation effort so as to become the growth engine of the corporation. It placed its bets on the following business and cultural initiatives: growth, cost effectiveness, customer loyalty, and skills.

In addition to focusing the enterprise for quantum change, management must also articulate the set of values or principles that people in the organization will aspire to live by, to guide effective decision making and behavior in the envisioned new organization. The process of reinforcing the new values and behaviors is often referred to as the culture change required to achieve the desired business and organizational changes.

Once this limited set of constructs has been developed and agreed upon by top management, and appropriately vetted with other important constituencies, the transformation engine has been built. I often figuratively refer to this process as “sharpening the

strategic arrow before putting all the wood behind it.” With the key corporate transformation constructs refined and vetted, the major transformation initiatives translated into stretch goals and quarterly milestones for quantum change, and the key supporting values anchored in specific, observable behaviors, management has done its job of articulating the desired future state of the enterprise. The block of the transformation engine has been wrought.

Now it is time to bolt on the employee supercharger.

The Employee Supercharger

Leaders supercharge the launch of well-articulated plans for corporate transformation by rapidly and intensively involving *all* employees in high-engagement cascades that create understanding, dialogue, feedback, and accountability. These cascades empower people to creatively align their subunits, teams and individual jobs with the major transformation initiatives of the whole enterprise. If done well, the cascade events may accomplish their primary mission of refocusing and re-energizing managers and employees by creating an intensive initial experience that lasts for as little as one to one-and-a-half days. The real management challenge is recognizing that they must make such a commitment if they ever hope to re-engage employees and unlock the value they can add to the enterprise.

What goes on inside a high-engagement, all-employee cascade?

First consider a large room, filled with all the managers of a major subunit of a corporation. (A similar setting is subsequently created in which all individual contributors in a subunit join their managers for a one-day, all-employee cascade event.) Everyone is assembled around round tables of six to eight managers each. Every manager has his or her own “playbook” for the coming year, which contains a series of modules organized around the key corporate transformation constructs. The cascade stage is set by the executive leader, who explains the business

“How the Employee Supercharger Works”

The recent experience of Symantec, a Silicon Valley-based high-tech firm with 5,000 employees and global operations, provides a constructive example of how a rapid, high-engagement, all-employee cascade works. After top management had spent several months defining where the company needed to go and restructuring it into fourteen major subunits, they were able to quickly achieve both subunit alignment and employee engagement by dropping the new direction and key initiatives down through the new business and functional subunits.

The chosen vehicle was a four-day cascade event in each subunit, which involved all of its employees and was kicked off by the CEO, then passed to the new subunit leader and management team. All managers in a subunit, say the European Sales organization, were brought aboard during the first two days. They were intensively exposed to the new strategic vision, the core transformation initiatives, and the values and expected behaviors in the intended culture for the corporation and for their own organization. Then all employees in the organization joined in the last two days of the event. At the end of the subunit's four-day, back-to-back, all-manager and all-employee cascades, a clear line of sight had been created from the new corporate goals, through the goals of the subunit, down to the job-level objectives of all employees in the subunit. A series of similar events took place in rapid succession in all corporate subunits around the globe. The entire high-engagement process was completed in 13 weeks, including a pilot and a “sweeper” event at the end to catch any employees who had not been in the company to attend their subunit's cascade. Then all of the cascade content was transferred to the new-hire orientation program.

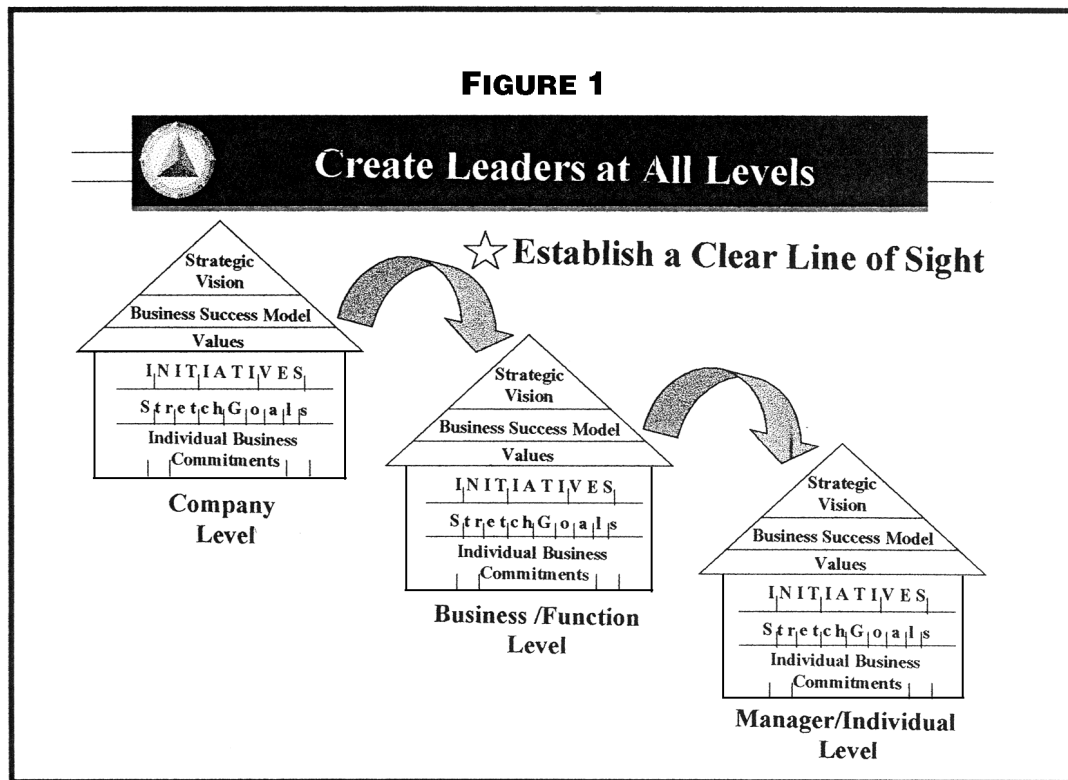
The learning from this 13-week global cascade has led to greater speed and intensity in the cascade process in subsequent transformation launches at other corporations. For example, for the 16,000 employees in the Product Support Services business of IBM Global Services, the all-managers events were streamlined to one-and-a-half days and the all-employee cascade events were reduced to a single day each. The entire cascade process took only six weeks to complete with a nationally dispersed workforce. A similar streamlined process was implemented at 600-employee Anadigics, a fiber optics switch maker, in an organization-wide total of three days.

realities, strategic vision, and business success model. Then members of the leadership team, who also serve as champions of the transformation initiatives, introduce all managers (and in the subsequent session, all employees) to each transformation initiative, using a high-engagement methodology.

Tablework teams of managers are created to enable all managers of a subunit to learn about the vision, stretch goals, and metrics for each initiative before spending time in dialogue to translate these constructs for meaning and action for their teams and for their own jobs. At the conclusion of each dialogue module, the tablework teams report out their preliminary translations and job-level objectives and learn about those of other teams. Then the

tablework teams reconvene to discuss what they have learned. They conclude by drafting a near-final set of team- or job-level objectives to enable them to align their job behaviors with the initiative. The process is repeated until all four or five transformation initiatives have been translated for job-level action.

To complete the cascade process, managers in a subunit conduct a subsequent one-day cascade meeting with all their individual contributors to delineate job-level objectives that have a clear line of sight back to the handful of organization-wide transformation initiatives as shown in Fig. 1. Employees finalize such individual business commitments with their supervisors during the next two weeks.



At this juncture, the executive and business leaders have set the transformation template, and managers and employees at all levels have gone through a compressed cycle of understanding, dialogue, feedback, and goal alignment. The accelerated process enables people to use their creativity and job knowledge to take prudent risks at their own job levels to drive the transformation challenge. And it is consistent with the conclusion drawn from more than two decades of field research by J. Richard Hackman, a Harvard organizational behaviorist, that, "team effectiveness is enhanced when managers are unapologetic and insistent about exercising authority about direction, the end state the team is to pursue. Authority about the means by which those ends are accomplished, however, should rest squarely with the team itself."

Employee Responses to Engagement in Transformation

The responses of employees to the high-engagement cascade have been quite favorable. Coming out of the Age of Dilbert, employees almost always go in to their cascade event with a healthy mixture of confusion, skepticism and even cynicism. They expect to witness once again a parade of half-baked ideas from an executive team that is not itself in alignment, and that has not taken the time to be clear about what is needed and why or to become committed and accountable for following through for execution. Instead, managers and employees at all levels tend to leave the high-engagement cascade with a very different impression of management and level of commitment to the corporate transformation process. Here are a few representative quotes from managers and em-

employees who recently had such an experience during the transformation launch in their company:

The cascade process was nothing short of amazing. It was phenomenal.

I'm just astounded by the positive impact of the cascade. We said the very same thing to every single person. It was aligning and motivating, and it produced results.

It was really incredible. In fact, at the end of the day on Sunday when people were told they only had one task left, they actually groaned! It pulled sales and marketing together like they have never been. Then they wanted to know from me how soon manufacturing was going to go through it.

It worked. People got the vision, mission and values. They got to absorb them and tie them to their own jobs.

It was superb. It was very fast. It was for everybody in the organization. It was focused on a few key things. The focus on 'translation' to relevance for people's own jobs was a key thing in the cascades.

Cascades will remain at the highpoint of their careers for many employees many years later in their careers. Open communication. Minimal hierarchy. Very inspirational.

It was great. It was very well orchestrated. People really worked hard to make it successful. The leaders stepped up to the plate. People left floating on air.

Follow Through on Execution and Learning

Once the corporate transformation table is set and a clear line of sight connecting organization-level transformation initiatives with the job-level objectives of all managers and employees has been established,

the whole effort is knitted together by the creation of a learning organization in which early failures and successes may be quickly analyzed and shared with all parts of the organization.

Skill or competency deficiencies can now be engaged more fully in the context of a focused, accountable, and truly motivated system. Employees now seek out training and other competency-enhancing opportunities to be able to meet their new performance commitments. The organization can refresh the entire accelerated transformation process on a quarterly, semiannual, and yearly basis by maintaining a process architecture, which consists of the business leader and his or her executive team, the normal line and staff management structure, transformation initiative champions, a quarterly cycle of leadership follow-through meetings, and occasional focus groups that tap various parts and levels of the enterprise.

Cascade as Transformation Accelerator

Given the repeated successes across a variety of service, manufacturing, and high-technology organizations of the rapid, high-engagement, all-employee cascade, a few fundamental reflections may be drawn. Such an intervention at the end of the initial corporate transformation-planning phase has the very definite effect of *accelerating* the launch of the entire corporate transformation process. It quickly *aligns* the entire company around a limited set of important transformation constructs: vision, business success model, cultural values, and transformation initiatives. It *engages* everyone at transformation launch, enabling them through a process of structured dialogue, to use their untapped creativity to redefine the way they behave and perform at work to uniquely support the transformation effort. It does so *rapidly*.

Cascade as “Leadership 101”

The rapid, high-engagement, all-employee cascade also serves as a Trojan horse for developing leaders at all levels in the organization. Not only does such a cascade empower employees to take initiative at their level and help launch the repositioning or revitalization of an enterprise, it also serves as a fundamental “Leadership 101” intervention for everyone in the organization. Indeed, within the one to one-and-a-half day cascade event everyone learns how to effectively confront reality, develop a compelling vision and success model, articulate a new set of values and behaviors to guide decision making, and distill a limited set of transformation initiatives to focus the entire organization. In addition, everyone learns how to communicate these constructs in a simple and compelling manner, engage people in structured dialogue, facilitate constructive feedback, and establish personal accountability for the new performance expectations.

What follows the actual cascade event is a demonstration throughout the remainder of the year about what it means to follow through, to create a learning organization to get better at the things that were right at launch, and to make modifications for improvement in those that don’t measure up. Indeed, the whole process of refocusing the organization and re-engaging all employees is repeated in a more streamlined manner to launch the second and each successive year of the corporate transformation effort. The effect is to work these leadership expectations and competencies deep into the marrow of the enterprise.

Overcoming the “Buts”

Despite all of the positive contributions of the rapid, high-engagement, all-employee cascades, leaders operating under outmoded notions of the organization-individual relationship can usually conjure up a list of potential caveats long enough to dampen the enthusiasm of all but the hardest transfor-

mation leaders. Among the initial protestations are the following favorite fears:

- Managers don’t have enough time.
- The organization doesn’t have sufficient process skills to pull it off.
- We can’t afford to have everyone away from his or her job at the same time.
- We need to get everything right before we launch.
- You can’t just drop employees into one of these without getting them ready first.
- It’s too much of a hardship for people to travel to remote cascade settings.
- I call the act of moving beyond such reservations the process of “overcoming the butts.”

All it takes is for the transformational leader to turn the problem back for creative resolution. For example, executives planning the cascade of a 500-strong, U.S. based customer service support department were initially perplexed about how to keep customers satisfied while abandoning the phones to attend their cascade event. They were told by the CEO to come back with a plan. The response was to inform customers well in advance about the event and its role in enhancing customer service, to have the managers’ portion of the cascade event over the weekend, to augment the services staff the week before and after the cascade to handle overloads, to bring in skeleton customer services staffers from Asia and Europe to minimally cover the situation, and to have services managers on call from the cascade site the second two days when their employees were going through the process.

Even though there will always be challenges to the use of high-engagement approaches, a creative leadership team can almost always find a way to move ahead. And the payoffs during transformation launches, which often stall during or shortly after lift-off, are tremendous.

In summary, we need to continually remind ourselves that we have entered a new age of the highly valued employee. Because of the focus of the previous era on core competency, this new age has generated the re-

sources to be able to invest in employees more substantially than in the past. It also demands that executive leaders use all their creativity to engage employees in fundamental ways that help them more quickly understand and align with the ongoing process of corporate transformation.

At this same time, executives across all sectors are confronted with the challenge of adapting to and leading an ever-increasing pace of change, imposed by the business environments in which their organizations are embedded. These simultaneous challenges of high employee value and

high rates of required change make it absolutely essential that executive leaders develop more accelerated approaches to corporate transformation and more intensive methodologies for engaging, aligning and motivating all employees—indeed, for creating transformational leaders at all levels in the enterprise. Hopefully, the approaches and case studies in this article provide a few important insights into how executive leaders may themselves engage and master the accelerated pace of corporate transformation in the new Age of the Employee.



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